

# **Incentives Session**

**The National Environmental Performance Track  
Improving the Achievement Track  
December 13, 2000  
Washington Hilton Hotel, Washington, D.C.**

## **Introduction**

Participants in the Achievement Track Incentives Session discussed incentives that could be institutionalized in the National Environmental Performance Track Program. Of the 33 attendees, there were ten EPA officials, and 23 industry/company representatives. An EPA official presented the topics for discussion.

EPA began by asking why facilities applied to the program. Several participants noted that Performance Track was a natural outgrowth of what their companies were currently doing in the area of environmental performance. Some expressed a desire to partner with the EPA; gain competitive advantage; win national recognition; or satisfy ISO 14000 requirements; while others joined seeking regulatory flexibility and recognition from customers.

## **Purpose of Session**

The purpose of the Incentives Session was to discuss appropriate incentives for Achievement Track participants. Incentives discussed included preferential treatment for participants; financial incentives; regulatory flexibility; greater access to EPA; and recognition.

### **Preferential Treatment for Participants**

Participants who operate smaller facilities strongly advocated preferential treatment for Achievement Track facilities during the permitting process. The current system allows larger facilities to enter the permitting queue first, which has the effect of imposing greater costs on smaller facilities since it is difficult to plan for capital improvements while awaiting a permit decision.

Advance knowledge or predictions of future changes in the permitting system would prove beneficial to Achievement Track companies. If predictions prove premature or erroneous, participants still prefer this to an absence of information.

Several participants suggested developing a long-term permit that would allow companies to pursue creative means of regulatory compliance. The current system of frequent permit renewal stifles creativity and drains resources, thereby preventing or discouraging experimentation. A related idea involved the issuance of a facility-wide permit to allow companies to experiment within their respective facilities.

Preferential treatment could also include granting Achievement Track participants procurement preference among Federal agencies or use of an official seal or logo on company products that could lead consumers to prefer Achievement Track companies' products. The labeling or endorsement idea was not favored by some participants due to problems encountered with the European system.

There was unanimous agreement that EPA should not serve as liaison between non-governmental organizations (NGOs) and Achievement Track companies. Participants feared that the program's integrity could be jeopardized if EPA appeared to be a communication tool for industry. EPA should serve as an "honest broker" between various viewpoints on environmental issues and take a leadership role in setting parameters for dialogue.

## **Financial Incentives**

A number of participants stressed that the program has to demonstrate a positive “bottom-line” effect in order to attract additional facilities. Ideas for financial incentives included tax credits, exemptions for pollution controls (including improved management systems), a reduction in permit fees, and a state fee reimbursement program. Additionally, a number of participants advocated streamlined reporting requirements that would allow on-site data collection and storage and aggregate reporting by facility or product type. Streamlined reporting could reduce companies’ compliance costs.

## **Regulatory Flexibility**

Participants liked regulatory flexibility, noting that it was the ultimate financial incentive. Companies who can prove that their processes will reduce or eliminate pollution should be exempted from prescriptive best available technology regulations. EPA should offer flexibility that can be “tailored” according to a company’s size and needs rather than “one size fits all” regulatory flexibility.

EPA should set different standards for Achievement Track facilities in new regulations. EPA should solicit options for Achievement Track incentives when it announces public comment periods for proposed rules and Achievement Track application periods.

## **Greater Access to EPA**

Most participants were satisfied with their access to EPA but several regarded greater access to EPA as a nice perk. Increased access would be valuable if it resulted in more timely issuing of permits and a specific point of contact within each EPA office, including regional offices, who could assist in problem solving and make timely decisions.

## **Recognition**

There was overwhelming agreement among participants that recognition in the local community and by consumers would be a great incentive. Suggestions included EPA recognition of companies through special public relations events, press releases, events with town mayors, new events, and brochures. It was also suggested that the Achievement Track program should develop a logo or other “brand” identity to clearly define the program and present it to the public through television and other media.